



IDGC OF CENTRE

DAILY MARKET REVIEW

14 October, Wednesday

2015

REVIEW OF STOCK MARKETS

Before the opening of trading on Tuesday 13 October some moderately negative external background formed on the Russian market. On Monday the US indices DJIA and S&P500 rose by 0.1-0.3% on statements of representatives of the Federal Reserve, from which investors concluded that the US Central Bank would exercise the utmost caution when deciding to raise rates. On Tuesday the decline of the composite index of the Asia-Pacific region MSCI Asia Pacific was about one percent. A negative factor for the market was weak data from China, where in September imports in dollar terms fell by 20.4% y/y, exports decreased by 3.7%. According to Bloomberg, the volume of Chinese imports decreased following the results of the 11th month in a row – this is the longest period of continuous decline in six years. According to experts, the continued reduction in the volume of imports is due to falling commodity prices and weak domestic demand in the PRC. At the same time the rate of decline in exports slowed down after the August devaluation of the yuan by the Chinese Central Bank to maintain the competitiveness of local companies. November Brent futures traded at \$50.4 per barrel – \$1.2 below the closing level on 12 October. On Monday Brent quotes, losing more than 5%, fell below \$50 a barrel after a report of OPEC, according to which the cartel's oil output in September rose to a maximum of three years. On 13 October the oil market was restoring on information of the 9% increase in China's oil imports in September compared with August.

Weak data on China's foreign trade in September became the basis for the continuation of sales in the Russian and European markets. On daily lows the loss of the MICEX Index was 0.8%, the European Stoxx Europe 600 – 1.6%. Additional pressure on the markets in Europe was given by its own statistics – in September in the UK and Germany some deflation was recorded, the confidence index of investors and analysts to the German economy in October was worse than expected. Investors' sentiment in the Russian and European markets improved after not as negative as might have been expected based on the dynamics of futures of the started trading in the US – the MICEX Index closed trading with its growth of 0.6%, the Stoxx Europe 600 Index played back a third of the losses.

At the end of the trading session the MicexPWR Sector Index looked better than the market mainly due to the corrective growth of oversold on Monday shares of RusHydro and E.ON Russia.

ELECTRIC POWER INDUSTRY NEWS

Capacity to wait for better times

Power companies propose to move half of the deadlines for commissioning energy projects, uncompleted under the program of capacity delivery contracts - in general, more than 3.7 GW. Investors should already pay 3.5 billion rubles in penalties for the delay, but there is no market need to implement the obligations: the demand for electricity in Russia is stagnating, and the yield of contracts has lost appeal. Consumers are against preferences for generators only and insist on the complete rejection of unclaimed capacity.

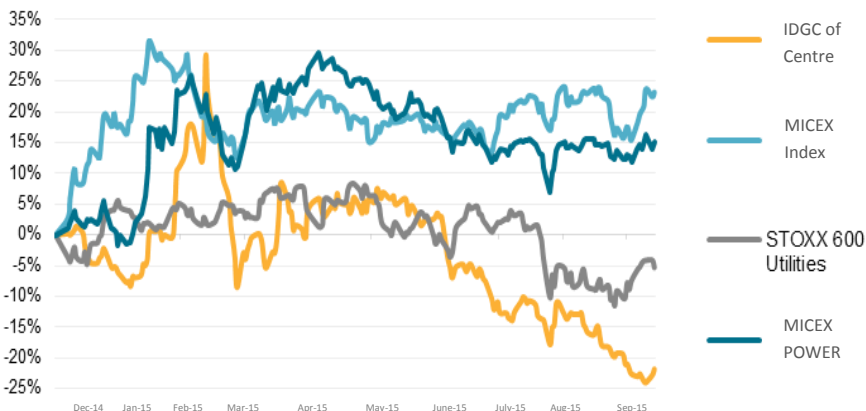
Read full text: <http://www.kommersant.ru/doc/2831801>

COMPANY NEWS

At the regional festival of science Belgorodenergo presented equipment and technologies that contribute to energy saving in grids

Read full text: <http://www.bigpowernews.ru/press/document66669.phtml>

DYNAMICS OF KEY INDEXES AND SHARES OF THE COMPANY



| World indexes | Value | Change for the day | fr 31.12.14 |
|-----------------|-----------|--------------------|-------------|
| MICEX | 1 720,81 | 0,60% | 23,21% |
| S&P 500 | 2 003,69 | -0,68% | -2,68% |
| FTSE 100 | 6 342,28 | -0,45% | -3,41% |
| DAX | 10 032,82 | -0,86% | 2,32% |
| DJStoxx 600 | 358,47 | -0,92% | 4,65% |
| STOXX Utilities | 298,78 | -1,23% | -5,28% |
| Nikkei | 18 234,74 | -1,11% | 4,49% |
| Sensex | 26 846,53 | -0,21% | -2,37% |
| CSI300 | 3 445,04 | -0,08% | -2,51% |
| Bovespa | 47 362,68 | -4,00% | -5,29% |

Source: Bloomberg, Company calculations

| Currency rates | Value | Change for the day | fr 31.12.14 |
|----------------|-------|--------------------|-------------|
| Euro/USD | 1,14 | 0,10% | -6,31% |
| USD/RUB | 61,15 | -0,23% | 8,70% |
| Euro/RUB | 69,55 | 0,30% | 1,77% |

Source: Bloomberg, Company calculations

| Raw | Value | Change for the day | fr 31.12.14 |
|-----------------|----------|--------------------|-------------|
| Gold, USD/oz | 1 168,84 | 0,43% | -1,31% |
| Brent*, USD/bbl | 49,24 | -1,24% | -24,00% |

* - November futures

Source: Bloomberg, Company calculations

| Shares of IDGC of Centre | Value |
|-------------------------------|--------|
| Last transaction, RUB | 0,1975 |
| Capitalisation**, billion RUB | 8,34 |
| Capitalisation**, million USD | 136,35 |

Source: Central Bank of Russia, Company calculations

| Russian indexes | Change for the day | fr 31.12.14 |
|----------------------------|--------------------|-------------|
| MICEX-Power Index | 0,92% | 15,05% |
| Shares of IDGC of Centre** | 1,28% | -21,78% |

Source: Bloomberg, Company calculations

| Grid companies | Change** for the day | fr 31.12.14 |
|------------------------------|----------------------|-------------|
| JSC Russian Grids | 0,35% | 3,95% |
| FGC UES | 0,23% | 35,02% |
| IDGC of Volga | 0,79% | -31,18% |
| MOESK | -1,25% | -36,80% |
| IDGC of Northern Caucasus | 0,00% | 10,74% |
| IDGC of Centre and Volga Reg | 0,60% | -31,06% |
| IDGC of North-West | 6,49% | 10,28% |
| IDGC of Urals | 0,63% | 30,93% |
| IDGC of Siberia | -0,19% | -41,22% |
| IDGC of South | 7,26% | 5,18% |
| Lenenergo | -0,94% | 50,86% |

Source: MOEX, Company calculations

** - at the price of last transaction at MOEX

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Tickers

Moscow Exchange (MOEX)

Bloomberg

Reuters

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